

SMALL BUSINESS ECONOMIC IMPACT STATEMENT  
*For Rules Concerning Childbirth Centers*  
Chapter 246-329 WAC

**Background**

Chapter 18.46 RCW authorizes the Washington State Department of Health (DOH) to adopt rules to assure that minimum health and safety standards are set for childbirth centers. RCW 43.70.040 delegates authority to the Secretary of Health the power to administer and enforce these rules.

**Rulemaking Requirements of the Regulatory Fairness Act (RCW 19.85)**

The Regulatory Fairness Act, RCW 19.85.030 requires the department to conduct a Small Business Economic Impact Statement (SBEIS) for proposed rules that have more than minor impact on businesses within an industry. If a rule imposes disproportionate impact on small businesses an agency, where legal and feasible, must mitigate the costs to small businesses. As defined in RCW 19.85.020, a small business is "any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that is owned and operated independently from all other businesses, and that has fifty or fewer employees."

**1. Briefly describe the proposed rule.**

The proposed rules outline the minimum public health and safety standards for the licensure and operations of Childbirth Centers (CBC) in Washington State.

*Minor Changes:*

- Condense and clarify wording, grammar, structure and formatting
- Clarify requirements for licensing, reporting, documentation and compliance
- Remove issues unrelated to public health
- Update terminology to reflect current usage

*Changes Easing Requirements:*

The entire process involved the interested party community. The purpose was to more clearly state the rules for ease of use and understanding. The proposed rules more clearly state required processes to reflect the standard of practice within Washington State and nationally. The department utilized expert input, as well as national childbirth standards.

*Changes Imposing Additional Requirements:*

- Develop and implement written policies and procedures governing emergency preparedness and fire protection to align with standards for other like health care facilities.

- Maintain a quality improvement program to assure the quality of care and services provided result in continuous improvement of client health outcomes. Quality improvement requirements were stated in current rule, but the newly proposed requirements are more clearly stated and reflect contemporary standards for other like health care facilities.
- Provide each client with a written bill of rights, verified by client or representative signature, affirming each individual's rights and to align with standards for other like health care facilities.
- Notify and submit a written report to the department in the event of unanticipated death or loss of function, abduction or discharge to the wrong family, sexual assault or rape, or a catastrophic event to align with standards for other like health care facilities.

*Other Components of the Rule:*

- Allows birthing centers built before the adoption of proposed rules to be maintained to the standards that were in place at the time the facility was licensed. Modified or altered areas shall be maintained to the standards in place at the time that the modification or alteration was made and in accordance with the approved plans.

**2. Is a Small Business Economic Impact Statement (SBEIS) required for this rule?**

Yes, a SBEIS is required for this rule. The rule imposes more than \$66 on each facility, which is the median threshold for additional costs. There are 13 licensed childbirth centers in Washington State; each has less than 50 employees. The department surveyed each facility. The highest number of employees is six, the least number is one, for a median number of three. Therefore, there is not a disproportionate impact between small or large businesses.

**3. Which industries are affected by this rule?**

Childbirth centers are the only businesses impacted by these rules. There is no appropriate or specific Standard Industrial Classification (SIC) code for these businesses. Therefore, the department contacted each of the thirteen childbirth centers to verify the number of employees in each facility. All childbirth centers in Washington State meet the definition of a small business, having less than 50

**4. What are the costs of complying with this rule for small businesses (those with 50 or fewer employees) and for the largest 10% of businesses affected?**

**NOTE: Additional estimated costs in Table 1 reflect a variance between one and six employees.**

**Table 1**  
**Rules with new fiscal impact**

<u>WAC</u>	<u>Annual Cost for Typical Small Business</u>	<u>Annual Cost for Typical Large Business</u>
246-329-085 Client Bill of Rights (one time only)	\$512	N/A
246-329-170 Emergency Preparedness (one time only)	\$32 - \$128	N/A
246-329-170 Emergency Preparedness	\$64	N/A
<b>TOTAL</b>	<b>\$608-\$704</b>	<b>N/A</b>

**Table 2**

**Rules with potential new fiscal impact. Most childbirth centers already meet these requirements so the rule imposes no additional cost.**

**NOTE: Potential additional estimated costs in Table 2 reflect a variance of between one and six employees.**

<u>WAC</u>	<u>Annual Cost for Typical Small Business</u>	<u>Annual Cost for Typical Large Business</u>
246-329-110 Personnel Policies and Procedures (one time only)	\$64-\$320	N/A
246-329-110 Personnel Policies and Procedures (training)	\$32-\$128	N/A
246-329-120 Birth Center Policies and Procedures (one time only)	\$320	N/A
246-329-140 Client Records (one time only)	\$500	N/A
246-329-180 Quality Improvement (one time only)	\$192	N/A
<b>TOTAL</b>	<b>\$1108-\$1460</b>	<b>N/A</b>

**5. Does the rule impose a disproportionate impact on small businesses?**

No. There are 13 licensed childbirth centers in Washington State. Each of them have less than 50 employees. The department surveyed each facility. The highest number of employees is six, the least number is one, for a median number of three. Therefore, there is not a disproportionate impact between small or large businesses. There are no large businesses; therefore, there is no disproportionate impact on small businesses.

**6. If the rule imposes a disproportionate impact on small businesses, what efforts were taken to reduce that impact (or why is it not “legal and feasible” to do so) by**

**a) reducing, modifying, or eliminating substantive regulatory requirements?**

- Clarify requirements for licensing, reporting, documentation and compliance
- Update terminology to reflect current usage

**b) simplifying, reducing, or eliminating record keeping and reporting requirements?**

Childbirth centers are currently required to have a defined client record system, policies and procedures. The proposed rule clarifies the type of documentation required. The proposed rule requires medical records to be maintained for a period of time, because it provides access to important medical information necessary to ensure continuity of care.

Accessible information could be invaluable in an emergent situation. The benefits of establishing a requirement to maintain information outweigh the costs associated with the proposed rule.

**c) reducing the frequency of inspections?**

The frequency of inspections is not addressed in the proposed rules.

**d) delaying compliance timetables?**

Although the department plans to offer statewide training on the proposed rules, no compliance delay is scheduled for its implementation.

**e) reducing or modifying fine schedules for noncompliance?**

Fine schedules for non-compliance are not addressed in the proposed rules.

**f) any other mitigation techniques?**

The Department of Health made every effort to mitigate any additional costs for childbirth centers throughout the rulemaking process. The department has also found that most childbirth centers already meet or exceed the proposed additional requirements; for those centers, additional costs will be nominal.

The proposed rules allow birthing centers built before the adoption of the rules to be maintained to the standards that were in place at the time the facility was licensed. This reduces the cost of the proposed rules to existing birth centers. If the department had not incorporated this change, the cost of requiring existing facilities to meet the proposed rules may have forced these businesses to close. Modified or altered areas are to be maintained to the standards in place at the time that the modification or alteration was made, and in accordance with the approved plans.

**7. How are small businesses involved in the development of this rule?**

Department staff worked closely with constituents, small businesses and the public to minimize the burden of this rule. The department notified all licensees and stakeholders when it first started developing the rule. Interested parties were invited to participate in a stakeholders workgroup including participants from all childbirth centers. Four stakeholder workgroup meetings were held in Olympia, Washington. The department also sought comment on draft language throughout the rule development process.